

RESOLUTION NO. 75759

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE ISSUANCE BY THE CITY OF SAN JOSE FINANCING AUTHORITY OF NOT TO EXCEED \$50,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS, SERIES 2011A (CONVENTION CENTER EXPANSION AND RENOVATION PROJECT); APPROVING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, A FACILITY LEASE (CONVENTION CENTER EXPANSION AND RENOVATION PROJECT), A SITE LEASE, A CONTINUING DISCLOSURE CERTIFICATE, AND A BOND PURCHASE AGREEMENT; APPROVING THE FORM OF AND DISTRIBUTION OF THE OFFICIAL STATEMENT FOR SAID BONDS; AND AUTHORIZING TAKING OF NECESSARY ACTIONS AND EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES IN CONNECTION THEREWITH

WHEREAS, the City of San José (the "City") and the Redevelopment Agency of the City of San José (the "Agency") have heretofore entered into a Joint Exercise of Powers Agreement, dated as of December 8, 1992 (the "Joint Powers Agreement"), which Joint Powers Agreement created and established the City of San José Financing Authority (the "Authority"); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing public capital improvements whenever there are significant public benefits; and

WHEREAS, this City has determined that it would be in the best interest of the City to proceed with a lease revenue bond financing for financing a portion of the cost of the Convention Center Expansion and Renovation Project (the "Project") resulting in significant public benefits; and

WHEREAS, in order to achieve such significant public benefits it is proposed that the Authority and U.S. Bank National Association, as trustee (the "Trustee"), enter into a trust agreement (the "Trust Agreement") acknowledged by the City, pursuant to which the Authority will issue not to exceed \$50,000,000 aggregate principal amount of City of San José Financing Authority Lease Revenue Bonds, Series 2011A (Convention Center Expansion and Renovation Project) (the "Bonds"), and will use the proceeds to finance a portion of the Project; and

WHEREAS, a public hearing regarding the proposed financing was conducted by the City on the date of the adoption of this resolution; and

WHEREAS, notice of such hearing was published at least five days prior to such hearing in a newspaper of general circulation in the City; and

WHEREAS, an Official Statement describing the Bonds (the "Official Statement") will be distributed to potential purchasers of the Bonds; and

WHEREAS, it is proposed that the City enter into a Site Lease (the "Site Lease") pursuant to which it will lease the land (only) underneath the City's former Martin Luther King, Jr. Main Library, as well as the City's Mexican Heritage Plaza, to the Authority until the completion of the Project, at which time a portion of the Convention Center Expansion improvements will be substituted for the Mexican Heritage Plaza as the subject of the Site Lease (collectively, the "Facilities"); and

WHEREAS, it is proposed that the City enter into a Facility Lease (Convention Center Expansion and Renovation Project) (the "Facility Lease") pursuant to which it will lease back the Facilities from the Authority; and

WHEREAS, additional facilities may need to be included in the Site Lease and the Facility Lease to accommodate the ultimate size of the issuance of the Bonds and the Council desires to confer the authority upon City staff to include the City's Museum of Art and/or other property among the Facilities to the extent necessary; and

WHEREAS, under the Facility Lease, the City would be obligated to make base rental payments to the Authority which the Authority would use to pay debt service on the Bonds; and

WHEREAS, beginning in September 2008 and acting under Chapter 14.32 of the City's Municipal Code this City Council initiated proceedings to form its Convention Center Facilities District No. 2008-1, City of San José, County of Santa Clara, State of California (the "Convention Center Facilities District"); and

WHEREAS, following a public hearing, the City Council called a special mailed-ballot election of the qualified, landowner electors of the Convention Center Facilities District in which 78% of the votes approved the Convention Center Facilities District special taxes to be levied and collected within the Convention Center Facilities District and the issuance of bonds to be secured by the special taxes; and

WHEREAS, the City is proposing the issuance of special tax bonds under the authorization conferred by the Convention Center Facilities District (the "CCFD" Bonds) that will have a first call on the revenues from the special taxes authorized by the Convention Center Facilities District; and

WHEREAS, it is proposed that revenue from the special taxes authorized by the Convention Center Facilities District, to the extent it is available and on a basis subordinate to the CCFD Bonds, be used by the City to make lease payments under the Facility Lease; and

WHEREAS, this City Council has been presented with the form of each document herein referred to relating to the Bonds, and the City Council desires to

approve such documents and to authorize and direct the execution of such documents and the consummation of such financing; and

WHEREAS, the City has full legal right, power and authority under the Constitution and the laws of the State of California to enter into the transactions hereinafter authorized; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

Section 1. The City hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the City and that the statements, findings and determinations of the City set forth above are true and correct and that the issuance of the Bonds by the Authority and the financing of the Project, will provide employment benefits from undertaking the Project in a timely fashion and will thus result in significant public benefits.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority in an aggregate principal amount not to exceed \$50,000,000 for the financing of the Project, provided that the combined total of Bonds and CCFD Bonds authorized shall not exceed \$150,000,000.

Section 3. The Trust Agreement, in the form posted on the agenda webpage for this joint meeting of the Authority and the City, is hereby approved and the City Manager and the Assistant Director of Finance and their designees, or any of them, acting on behalf of the City (each an "Authorized Representative") is hereby authorized and directed to acknowledge, execute and deliver the Trust Agreement in substantially said form, with such changes or additions that may hereafter become necessary in the interests of the City and which are approved by the Authorized Representative executing the same in consultation with the City's financial advisor, its bond counsel, and the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Facility Lease, in the form posted on the agenda webpage for this joint meeting of the Authority and the City, is hereby approved and any Authorized Representative is hereby authorized and directed to execute and deliver the Facility Lease in substantially said form, with such changes or additions, including additions to the Facilities, that may hereafter become necessary in the interests of the City and which are approved by the Authorized Representative executing the same in consultation with the City's financial advisor, its bond counsel, and the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the Facility Lease (including any extensions) shall not exceed 10 years beyond the final maturity of the Bonds.

Section 5. The Site Lease, in the form posted on the agenda webpage for this joint meeting of the Authority and the City, is hereby approved and any Authorized Representative is hereby authorized and directed to execute and deliver the Site Lease

in substantially said form, with such changes or additions, including additions to the Facilities, that may hereafter become necessary in the interests of the City and which are approved by the Authorized Representative executing the same in consultation with the City's financial advisor, its bond counsel, and the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term thereof (including any extensions) shall not exceed 40 years.

Section 6. The Continuing Disclosure Certificate relating to the Bonds (the "Continuing Disclosure Certificate"), in the form posted on the agenda webpage for this joint meeting of the Authority and the City, is hereby approved and any Authorized Representative is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes or additions that may hereafter become necessary in the interests of the City and which are approved by the Authorized Representative executing the same in consultation with the City's financial advisor, its bond counsel, and the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Bond Purchase Agreement (the "Bond Purchase Agreement") with Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of itself, Citigroup Global Markets Inc. and Wells Fargo Bank, National Association (collectively, the "Underwriter"), in the form posted on the agenda webpage for this joint meeting of the Authority and the City, is hereby approved, and any Authorized Representative is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially said form, with the interest rate or rates, and final sale information and with such changes or additions that may hereafter become necessary in the interests of the City and which are approved by the Authorized Representative executing the same in consultation with the City's financial advisor, its bond counsel, and the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that in no event shall the interest rate on the Bonds exceed 6.85% true interest cost, nor shall the Underwriter's discount exceed 0.5%, nor shall the maturity date of the Bonds extend beyond May 1, 2051.

Section 8. The Official Statement describing the Bonds, in the form posted on the agenda webpage for this joint meeting of the Authority and the City, is hereby approved and any Authorized Representative is hereby authorized and directed to execute and deliver a final Official Statement in substantially said form with such additions, corrections and revisions as may be determined to be necessary or desirable by such officer, the financial advisor, the Underwriter, bond counsel or the City Attorney. The Underwriter is hereby authorized and directed to cause to be supplied to prospective purchasers of the Bonds copies of a preliminary official statement in such form and to supply the purchasers of the Bonds with copies of a final official statement, completed to include, among other things the interest rate or rates, and final sale information. Any Authorized Representative is hereby authorized and directed to execute a certificate confirming that the Preliminary Official Statement has been "deemed final" by the City for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 9. The Authorized Representatives and the other officers of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. Any Authorized Representative is hereby authorized on behalf of the City to execute any Written Request or Certificate of the City appropriate or necessary to be delivered by the City under the Trust Agreement or other documents authorized hereunder. Any Authorized Representative, and the officers of the City, are hereby authorized and directed to execute and deliver any and all certificates and representations, signature certificates, no-litigation certificates, tax and rebate certificates and certificates concerning the contents of the Official Statement distributed in connection with the sale of the Bonds, necessary or desirable to accomplish the transactions set forth above.

Section 10. All actions heretofore taken by the officers and agents of the City with respect to the issuance and sale of the Bonds are hereby approved and confirmed.

Section 12. This Resolution shall take effect immediately upon its adoption.

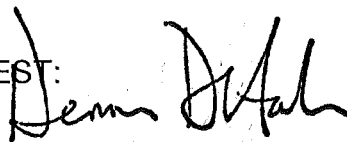
ADOPTED this 15th day of March, 2011, by the following vote:

AYES:	CAMPOS, CHU, HERRERA, LICCARDO, NGUYEN, OLIVERIO, PYLE, ROCHA; REED.
NOES:	NONE.
ABSENT:	CONSTANT, KALRA.
DISQUALIFIED:	NONE.



CHUCK REED
Mayor

ATTEST:



DENNIS D. HAWKINS, CMC
City Clerk

CITY CLERK'S CERTIFICATE

I, Dennis D. Hawkins, City Clerk of the City of San José, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly, regularly and legally held at the San José City Hall, 200 E. Santa Clara Street, San José, California, on March 15, 2011 and entered into the minutes thereof, of which meeting all of said members of the Council had due notice and at which a quorum thereof were present.

At said meeting said resolution was adopted by the following vote:

Ayes: CAMPOS, CHU, HERRERA, LICCARDO, NGUYEN, OLIVERIO, PYLE, ROCHA; REED.

Noes: NONE.

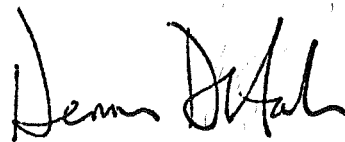
Absent: CONSTANT, KALRA.

Disqualified: NONE.

An agenda of said meeting was posted at least 72 hours before said meeting at 200 E. Santa Clara Street, San José, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original synopsis of said meeting on file and of record in my office. Said original resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: MARCH 15, 2011.



City Clerk of the City of San José, California